

Legislator University

SSC203

How Florida is Funded:
Our State's Revenue Streams





OUTLINE

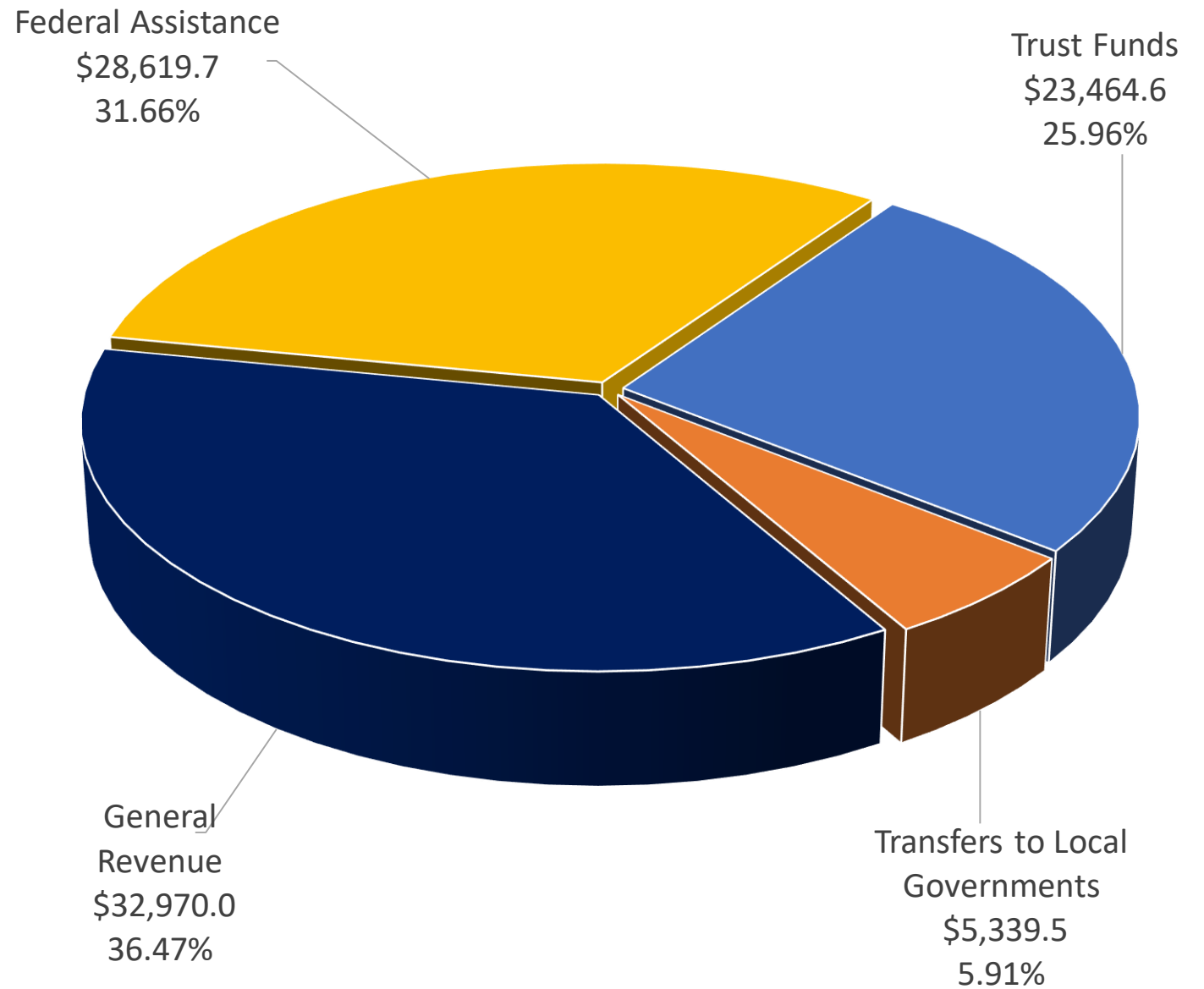
- Taxes and fees anchor the state revenue system
- System complexity
- System history & dynamics
- Florida vs. other states



WHY IS THIS INFORMATION IMPORTANT?

- Taxes & fees = main determinants of state government size
- System structure affects:
 - + Who pays for government and how
 - + Economic growth and development
 - + Cost of administration
 - + Predictability and adequacy of revenues

CLASSIFICATION
OF STATE
RECEIPTS
FY 2019-2020
\$90,393.8
MILLION





STATE TAXES & FEES—WHERE DO THEY FIT?

Florida State Government Revenues			
	FY 2018-19		
	Receipts		Percent of
	(Billion of \$)		Total
Taxes, Fees & Charges*	47.8		53.7%
Federal, County & Other Grants	28.7		32.3%
Lottery Ticket Sales	7.2		8.1%
Investment Earnings	0.5		0.6%
Fines, Forfeitures, Judgments	0.6		0.7%
Unclaimed Property	0.5		0.6%
<u>Other</u>	3.6		4.0%
TOTAL	89.0		
*Net of General Revenue Fund Refunds			

FLORIDA'S TAX & FEE SYSTEM TODAY

- Established in law
 - Florida Constitution
 - Statutes/Laws of Florida/Rules
 - Case Law
 - Federal Law (statutory and constitutional)



FLORIDA'S TAX & FEE SYSTEM TODAY

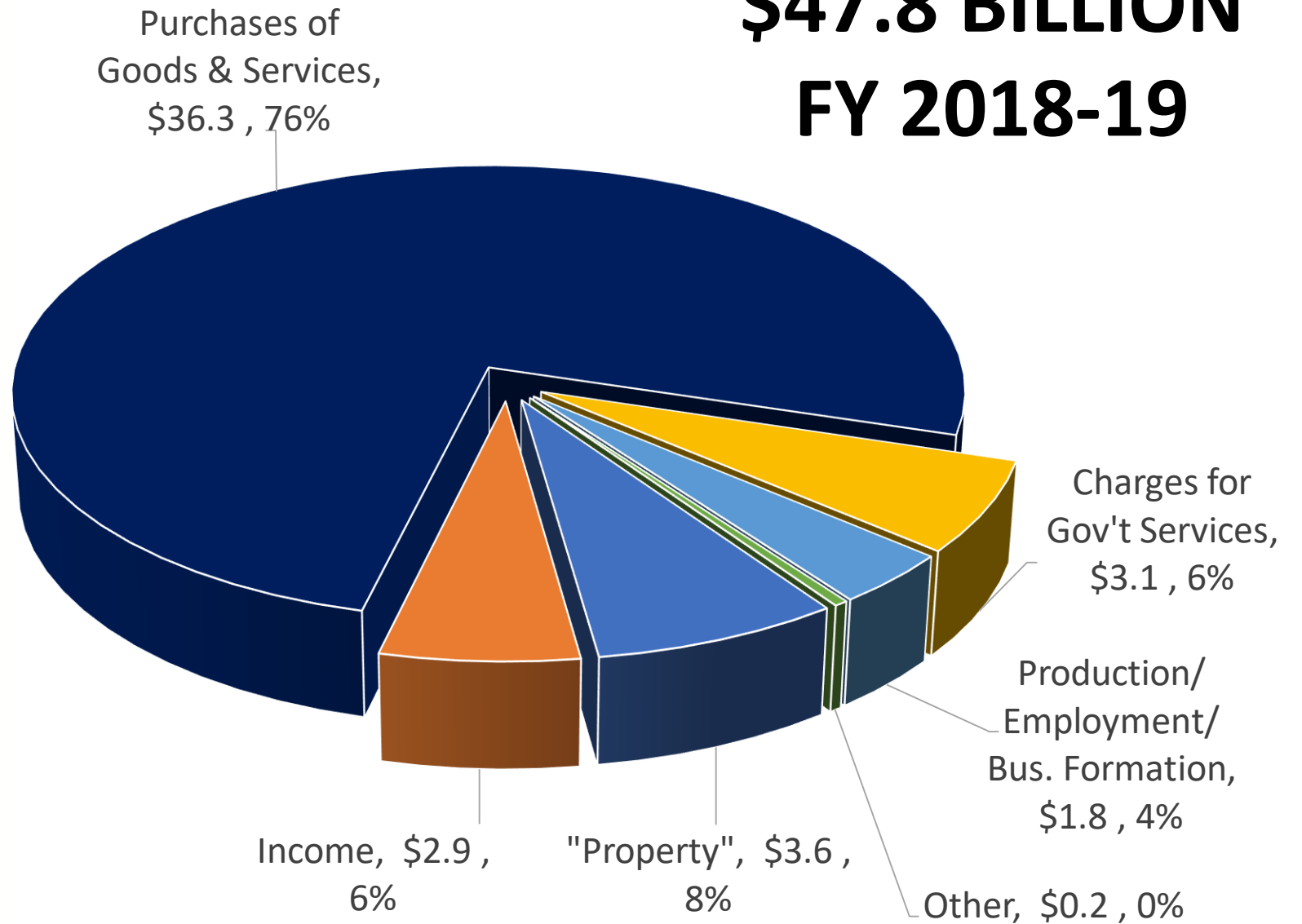
- What does Florida's system look like?
 - Purchases of goods and services
 - Corporate Income
 - Employment/production/business formation
 - Charges for government services/privileges/ regulation
 - Ownership or transfer of property



FLORIDA'S TAXES AND FEES



\$47.8 BILLION
FY 2018-19





Florida's Tax and Fee System Today

	2018-19 (mil \$)	% of Total
Sales and Use Tax*	27,870.9	58.3%
Motor Fuel Taxes	2,847.1	6.0%
Tobacco Taxes	1,145.6	2.4%
Gross Receipts Tax	1,148.9	2.4%
Insurance Premiums Tax*	1,077.5	2.3%
Communications Services Tax	590.2	1.2%
Hospital Tax	652.0	1.4%
Beverage Licenses and Taxes	352.8	0.7%
Pollutant Taxes	289.4	0.6%
Slot Machine Fees, Licenses, and Taxes	219.5	0.5%
Other Purchases of Goods & Services	125.6	0.3%
SUBTOTAL: PURCHASES OF GOODS/SERVICES	36,319.4	76.0%
Documentary Stamp Tax (Part)	1,827.9	3.8%
Motor Veh. & Mobile Home Licenses	1,367.6	2.9%
Intangible Personal Property Tax	385.2	0.8%
SUBTOTAL: PROPERTY-BASED	3,580.7	7.5%

* Net of General Revenue Refunds

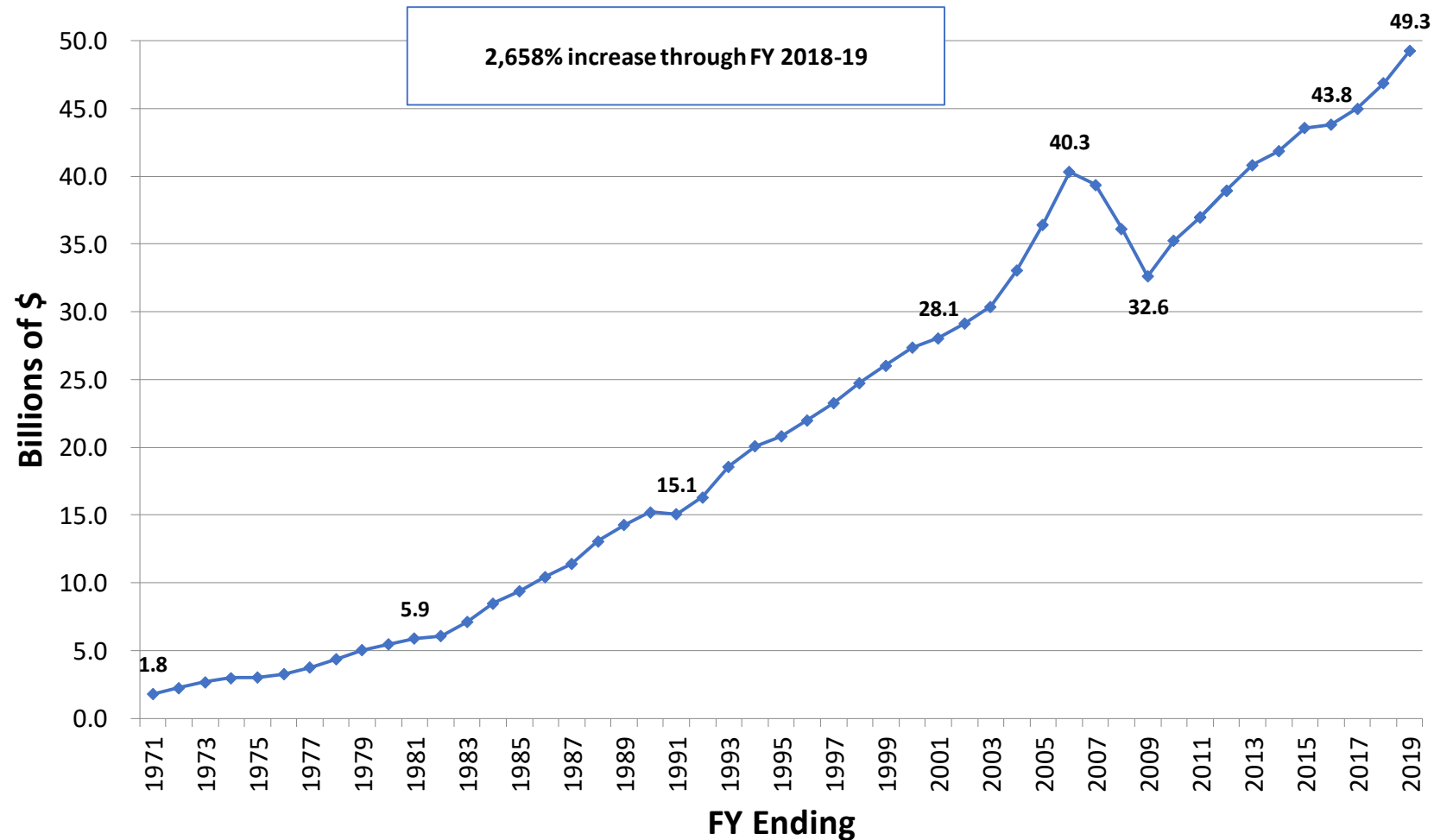


Florida's Tax and Fee System Today

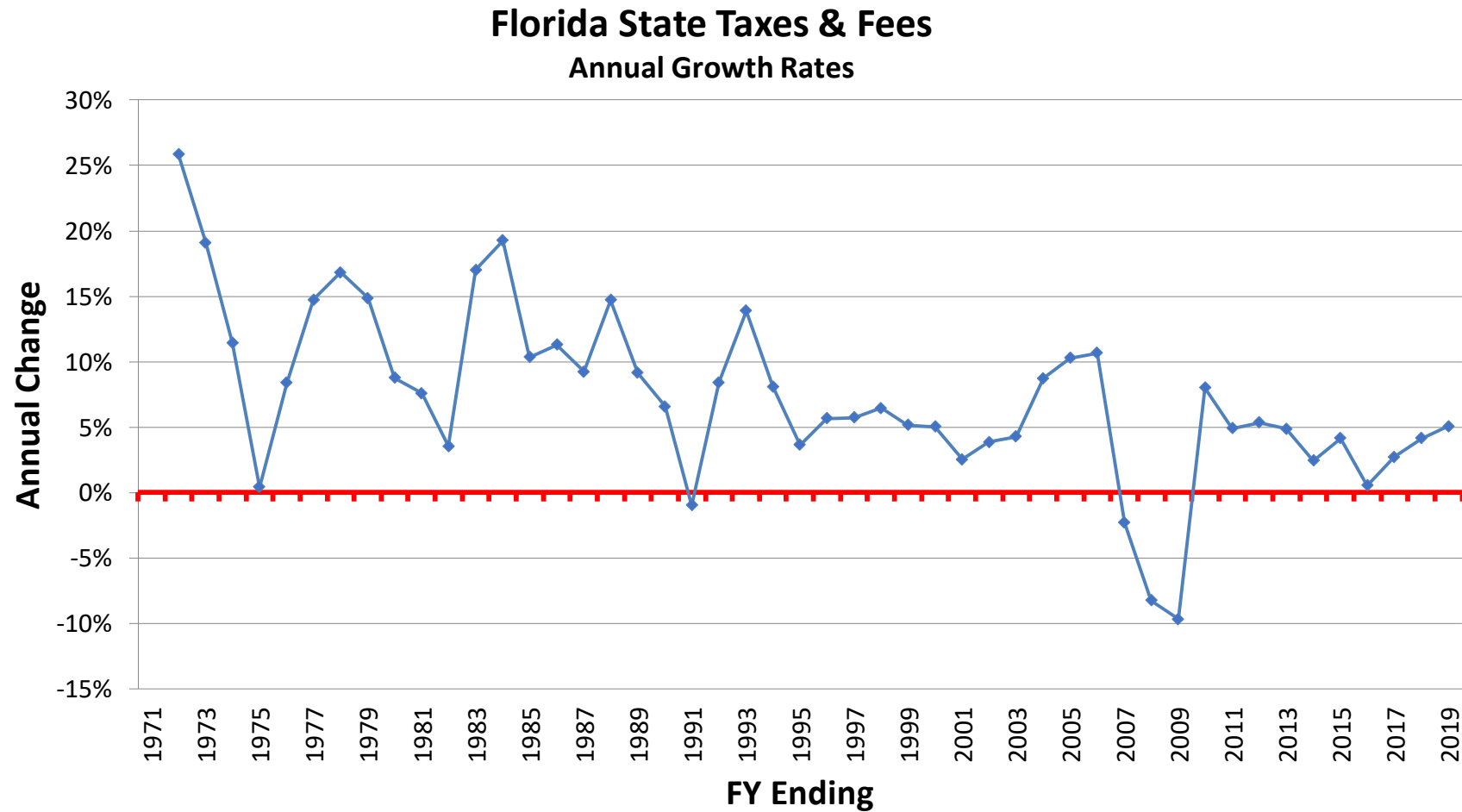
Reemployment Assistance Tax	498.2	1.0%
Documentary Stamp Tax (Part)	823.2	1.7%
Corporate Filing Fees	398.8	0.8%
Citrus Taxes	32.2	0.1%
Solid Mineral Severance Tax	7.1	0.0%
Oil and Gas Severance Tax	2.9	0.01%
SUBTOTAL: PRODUCTION/EMPLOYMENT	1,762.4	3.7%
CORPORATE INCOME TAX*	2,869.0	6.0%
AHCA Quality Assessment Fees	487.0	1.0%
Article V Charges	443.6	0.9%
Auto Title & Lien Fees	467.3	1.0%
County Medicaid Reimbursements	245.9	0.5%
Drivers Licenses & Fees	298.7	0.6%
Motor Vehicle Fees & Charges	381.2	0.8%
County Hlth Dept Fees	203.3	0.4%
Pre-trial Detention Charges--County Payments	48.5	0.1%
Other Charges for Gov't Services	508.2	1.1%
SUBTOTAL: GOVERNMENT SERVICES	3,083.7	6.4%
OTHER	196.8	0.4%
TOTAL STATE TAXES & FEES	47,812.0	
* Net of General Revenue Refunds		

FLORIDA'S TAX & FEE SYSTEM DYNAMICS

Florida State Taxes & Fees



FLORIDA'S TAX & FEE SYSTEM DYNAMICS



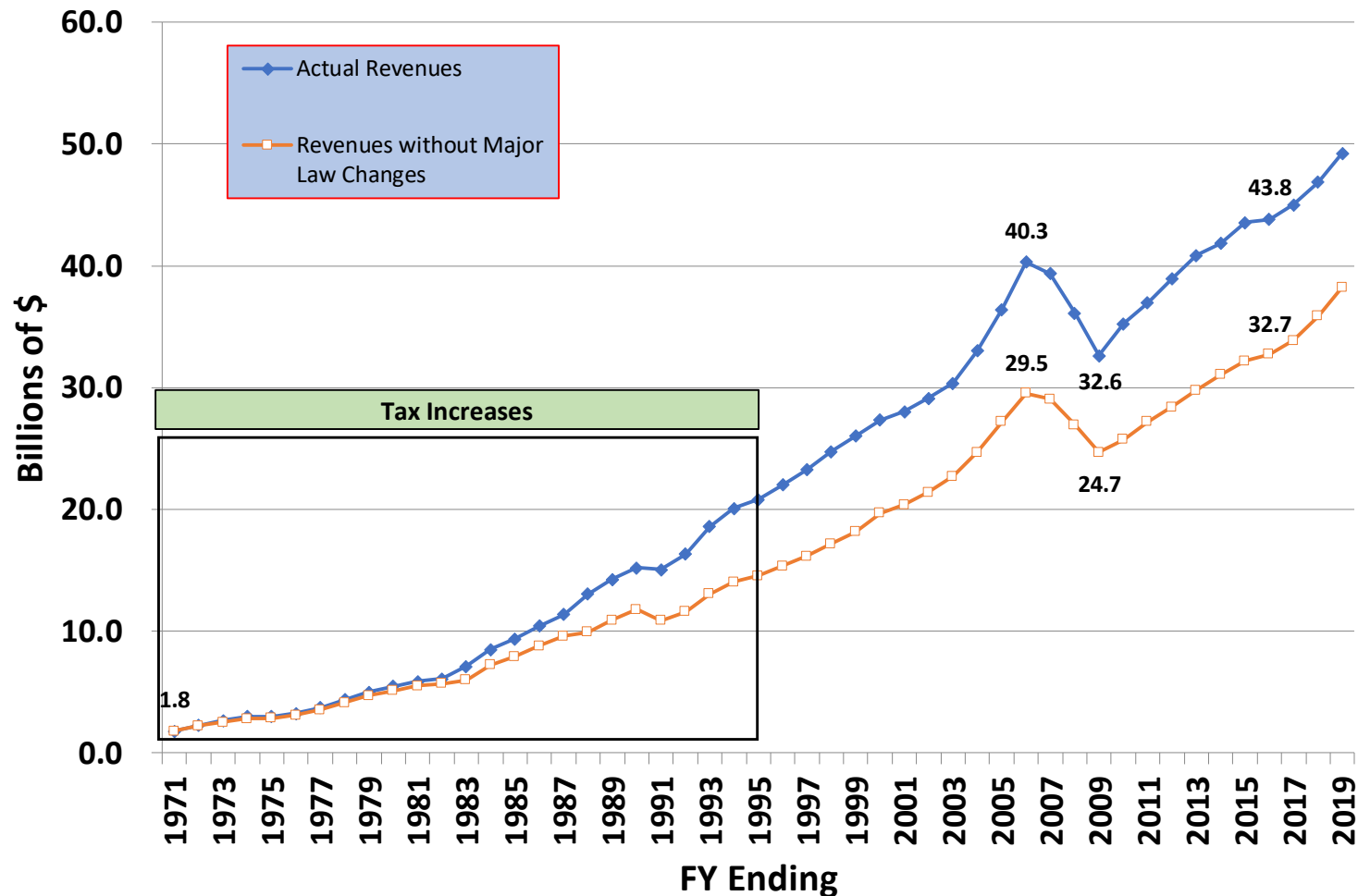


FLORIDA'S TAX & FEE SYSTEM DYNAMICS

- DYNAMIC #1: Changes in Law
 - Statutory & Constitutional
 - Court Cases
 - State and Federal

FLORIDA'S TAX & FEE SYSTEM DYNAMICS

Law Changes Have Been Significant





FLORIDA'S TAX & FEE SYSTEM DYNAMICS

- DYNAMIC #2: Changes in Economic Activity
 - Population Growth
 - Inflation
 - Real Income per Capita
 - Population Composition
 - Technology, Market Evolution, Spending Patterns
 - The Business Cycle

FLORIDA COMPARED TO OTHER STATES



<u>State Tax Revenue (2019 data)</u>		<u>U.S.</u>	<u>Florida</u>	<u>Rank</u>
Per Capita		\$3,321	\$2,086	51
% of Personal Income		6.1%	4.2%	49
<u>State and Local Tax Revenue (2018 data)</u>				
Per Capita		\$5,392	\$3,958	43
% of Personal Income		10.4%	8.4%	50

Source: Federation of Tax Administrators

<u>State and Local Tax Collections by Source (2018)</u>						
(Percent of Total)						
	<u>Property</u>	<u>Sales</u>	<u>Selective Sales</u>	<u>Individual Income</u>	<u>Corporate Income</u>	<u>Other</u>
U.S.	31.1%	23.3%	11.4%	24.2%	3.2%	6.9%
Florida	34.8%	38.3%	15.3%	N/A	2.9%	8.7%

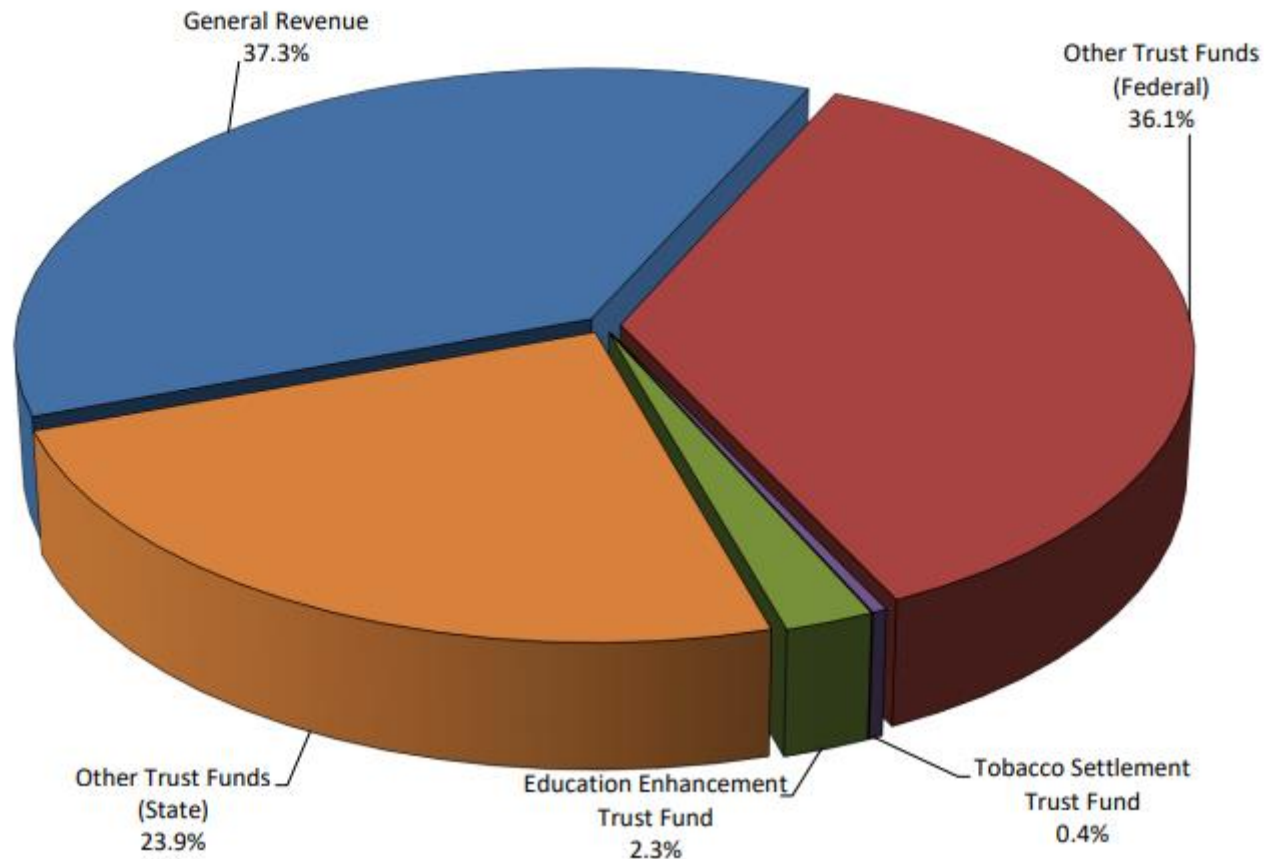
Source: Federation of Tax Administrators



General Revenue: What is it and where does it come from?

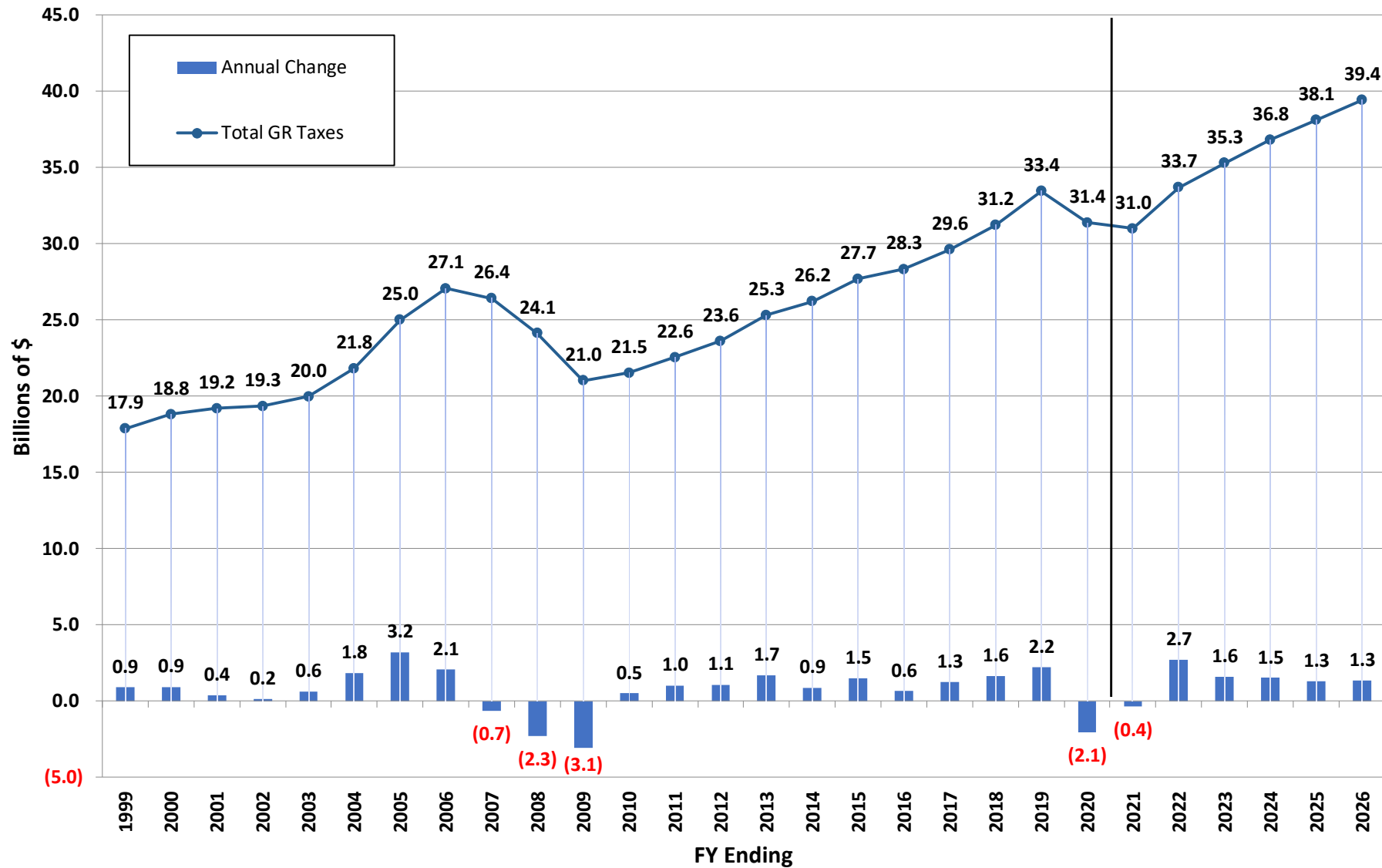
GENERAL REVENUE IN THE BUDGET FY 2019-2020

APPROPRIATIONS BY FUND SOURCE



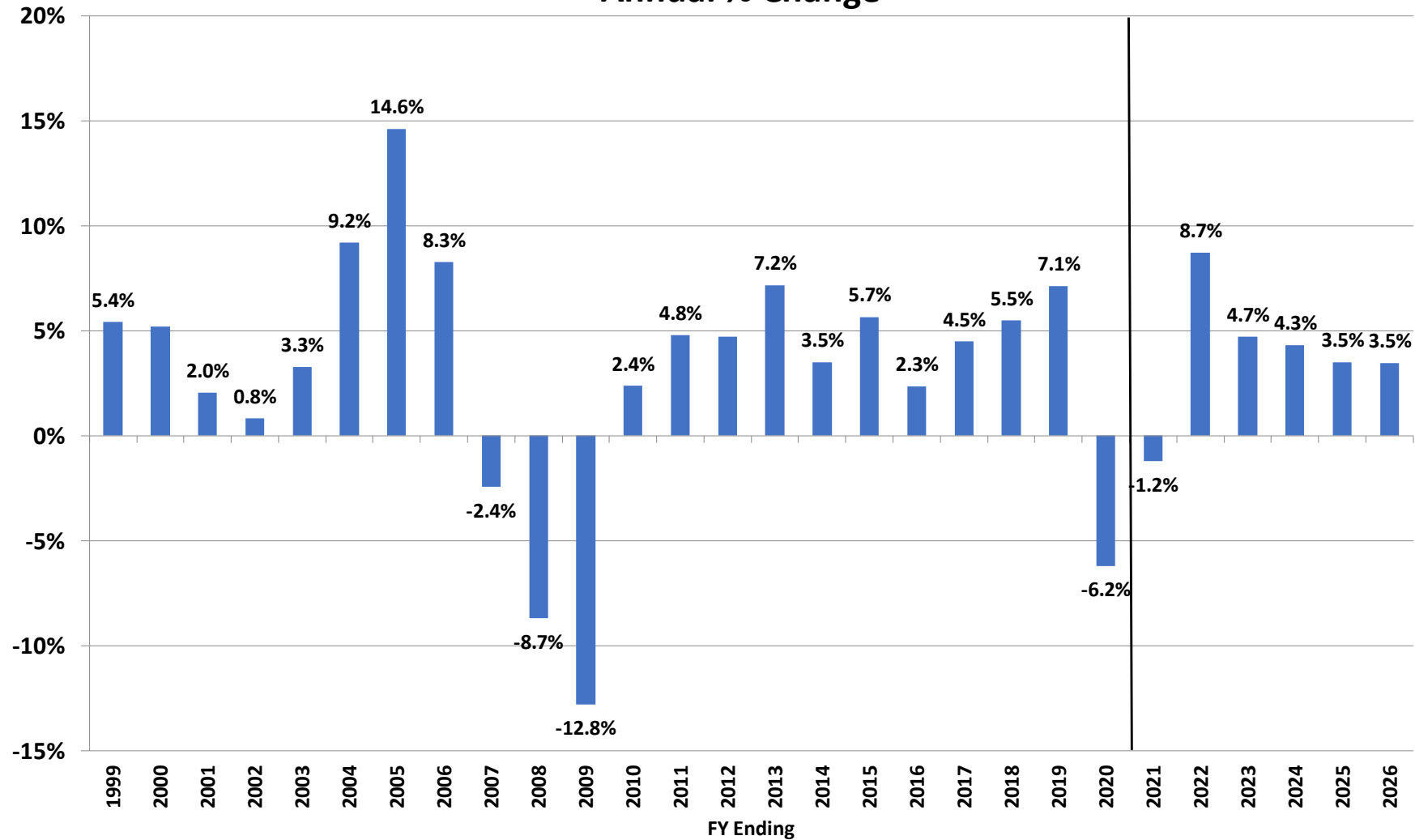
GENERAL REVENUE: HISTORY & FORECAST

General Revenue Collections



GENERAL REVENUE: HISTORY & FORECAST

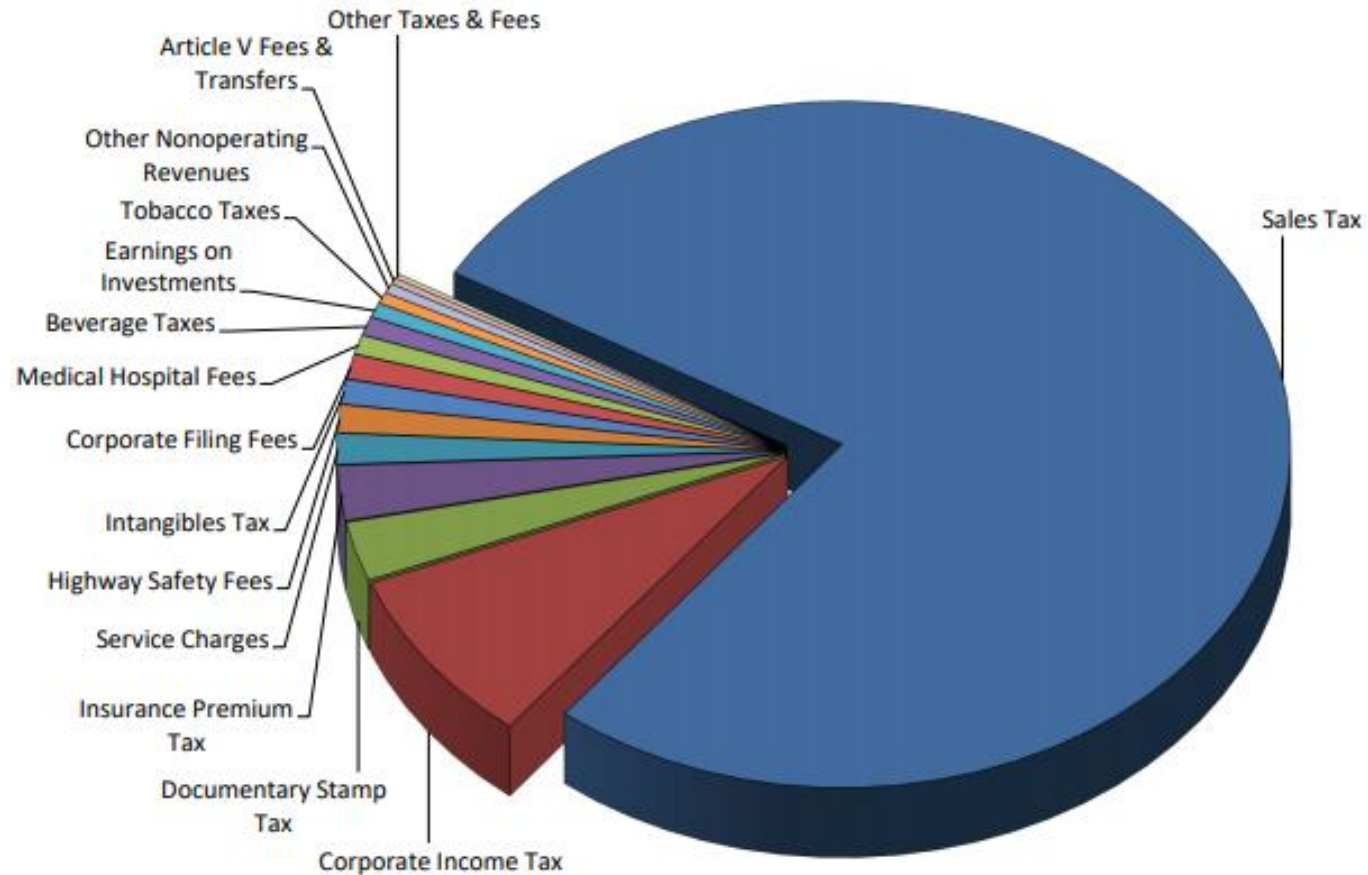
General Revenue Source Collections:
Annual % Change





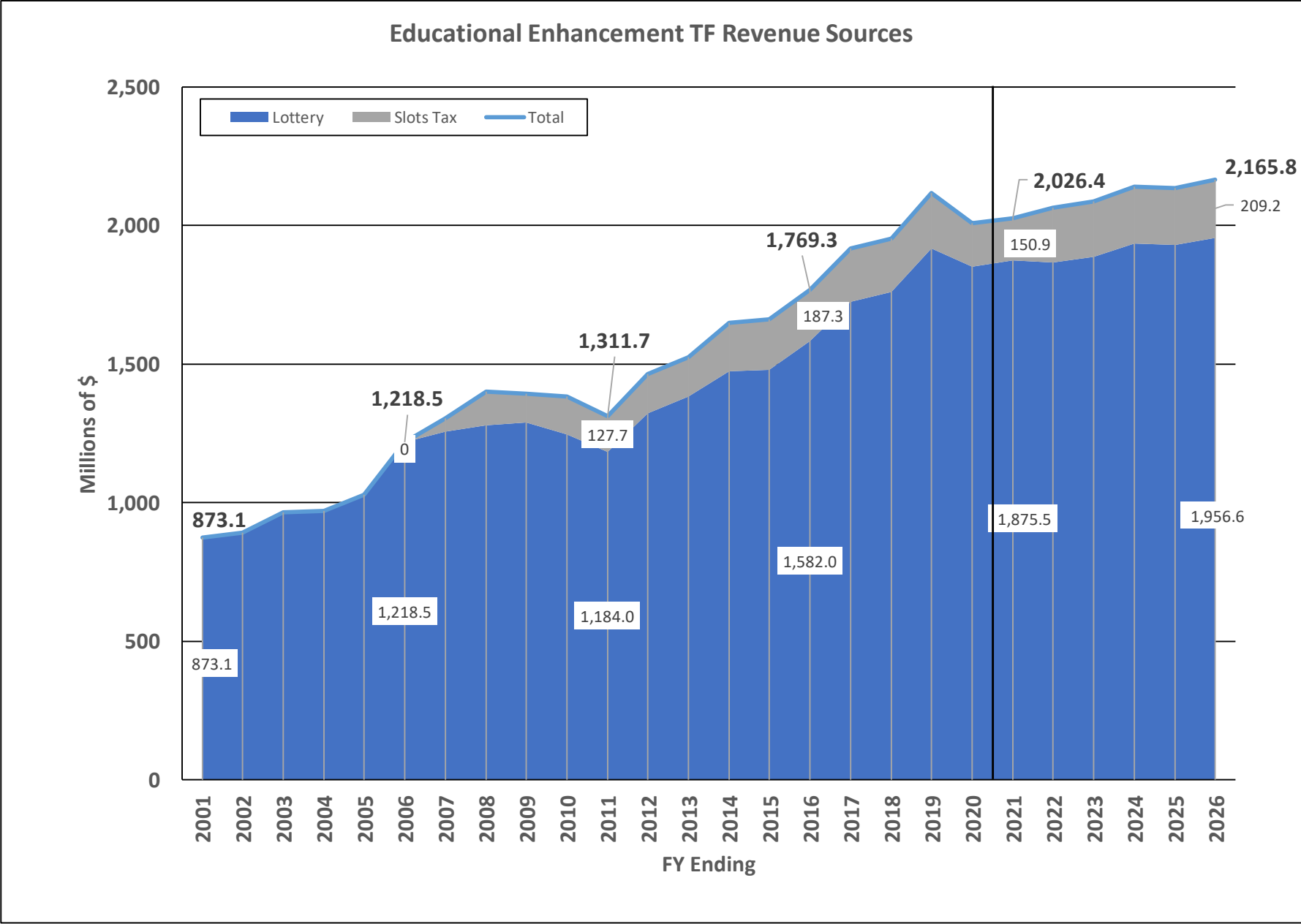
GENERAL REVENUE: COMPONENTS

Recurring General Revenue Sources



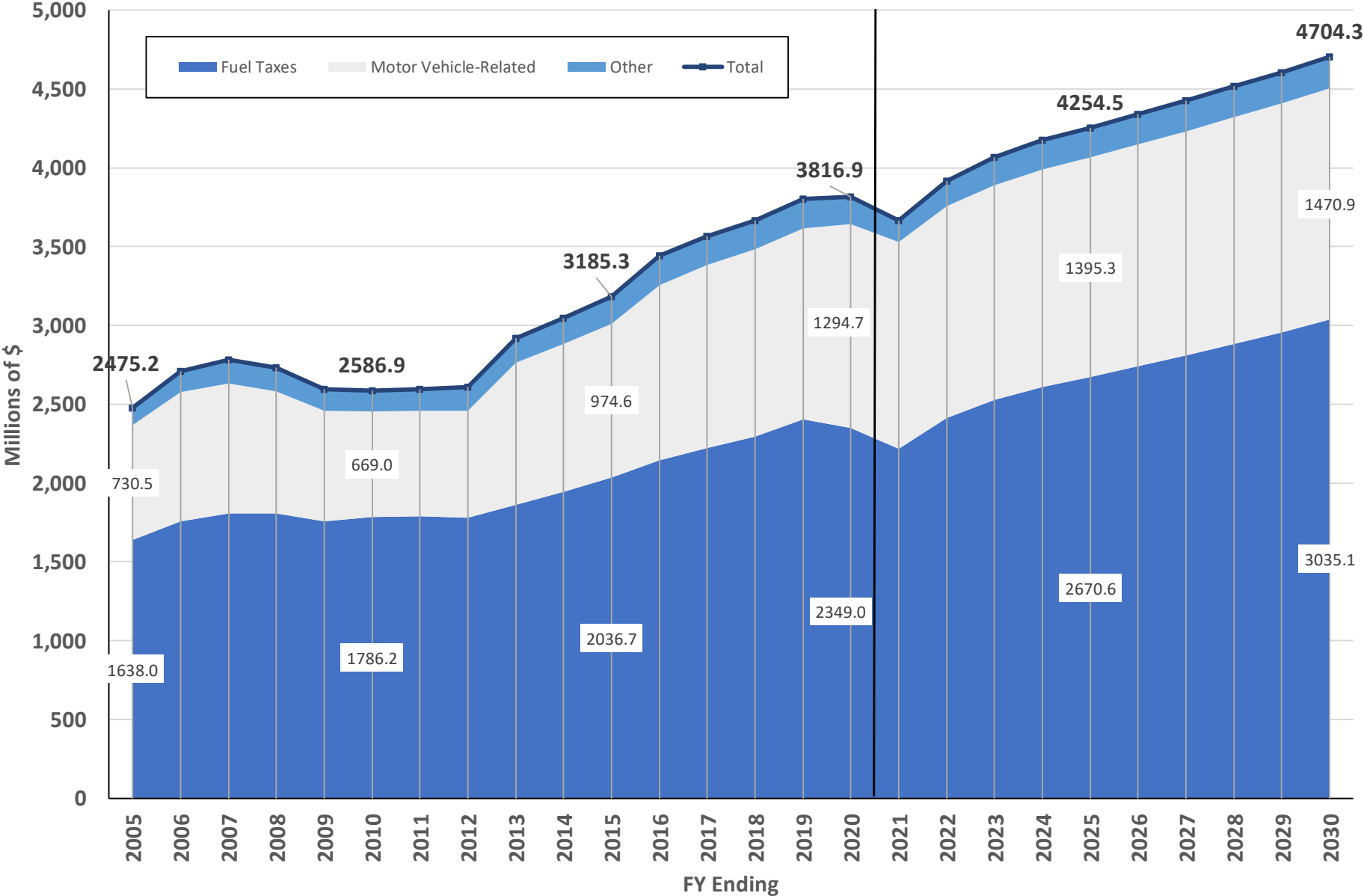


EDUCATIONAL ENHANCEMENT TRUST FUND:





State Transportation TF Revenue Sources





Questions?